

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:3952
ANSWERED ON:13.12.2002
ASSISTANCE FROM NABARD TO UNEMPLOYED ENTREPRENEURS
C.K. JAFFER SHARIEF

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) the details of the financial assistance being provided by NABARD to the unemployed entrepreneurs to generate employment in the field of industry, business, trading, agricultural inputs manufacturing marketing in rural, semi-urban areas;
- (b) whether any financial limit is fixed for the purpose; and
- (c) if so, the financial limit fixed for these purposes and the details of the other guidelines issued by NABARD for providing such financial assistance?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) to (c) The details of the refinance facilities being provided by National Bank for Agriculture and Rural Development (NABARD) to the unemployed entrepreneurs to generate employment in the field of industry, business, trading, agricultural inputs in rural/ semi-urban areas are as under:

(i) NABARD has formulated a scheme to provide financial assistance to agriculture graduates for setting up of agri-clinics and agri-business centers for providing extension services to accelerate the process of technology transfer and augmenting input supply and services. The scheme aims at providing gainful employment to agriculture graduates in new and emerging areas in agriculture. The prescribed ceiling of the project cost for an individual and group is Rs. 10 lakhs and Rs. 50 lakhs respectively. The repayment period of the loan could vary between 5 to 10 years depending upon the activity and may include a grace period of a maximum of 2 years. The rate of interest is to be decided by the financing banks as per Reserve Bank's guidelines. NABARD would provide 100% refinance for the bank loan;

(ii) NABARD refinance is available for a wide range of activities under non-farm sector covering the manufacturing, processing and approved service activities in the small scale industries sector, including transport vehicles, infrastructure and marketing, with emphasis on cottage, village, tiny industries, rural artisans and rural crafts through commercial banks, cooperative banks and regional rural banks. The maximum refinance to a single borrower/unit available is as under:

Commercial Banks—Rs. 50 lakh without any ceiling on project outlay; Regional Rural Banks/ Co-operative Banks—Rs. 20 lakh without any ceiling on project outlay;

State Cooperative Agriculture and Rural Development Bank—Rs. 20 lakh with a ceiling of Rs. 30 lakh on total outlay of project.

(iii) NABARD refinance is also extended to Government sponsored programmes like Swarnajayanti Gram Swarajgar Yojana (industry, service and business component) and Prime Minister's Rozgar Yojana in accordance with the guidelines of the schemes.